

The cost-plus-a-percentage-of-cost system of contracting may not be used.]

11-124. COST-PLUS-A-PERCENTAGE-OF-COST.

(A) A PROCUREMENT AGENCY MAY NOT ENTER INTO A COST-PLUS-A-PERCENTAGE-OF-COST CONTRACT.

(B) A CONTRACTOR UNDER ANY FORM OF COST REIMBURSEMENT CONTRACT MAY NOT ENTER INTO A COST-PLUS-A-PERCENTAGE-OF-COST SUBCONTRACT.

[13-702.] 11-125. COST-REIMBURSEMENT.

(a) [Cost-reimbursement contracts may not be awarded to prime contractors under § 13-203, § 13-204, or § 13-205] A PROCUREMENT AGENCY MAY NOT ENTER INTO A COST-REIMBURSEMENT CONTRACT unless the procurement officer determines that [the] A COST-REIMBURSEMENT contract is likely to be less costly to the State than any other type of contract[,] or that it is impracticable to obtain supplies, services, CONSTRUCTION RELATED SERVICES, ARCHITECTURAL SERVICES, ENGINEERING SERVICES, or construction, of the kind or quality required except under such a contract.

(b) ~~(1)~~ Each contractor under a cost-reimbursement type contract shall give notice and secure approval, as required by the contract, before entering into:

~~(1)~~ (1) A cost-reimbursement subcontract; or

~~(2)~~ (2) Any other subcontract involving more than \$25,000, or 5 percent of the estimated cost of the prime contract.

~~(2)---The---cost---plus---a---percentage---of---cost---system---of---contracting---may---not---be---used---between---contractors---and---subcontractors---~~

(c) [Cost-reimbursement contracts] A COST-REIMBURSEMENT CONTRACT shall provide that costs, INCLUDING THOSE FOR SUBCONTRACTORS, will be reimbursed only if [they are costs recognized as] allowable and allocable under:

(1) [the] cost principle regulations adopted [pursuant to Title 16] UNDER § 11-128 OF THIS SUBTITLE[,]; or

(2) [in] the contract.

[13-703.] 11-126. PREFERENCE IN TYPES OF CONTRACTS.

Subject to the limitations of §§ [13-701 and 13-702] 11-124 AND 11-125 OF THIS SUBTITLE, any type of contract [which] THAT will promote the STATE'S best interests [of the State] may be used, BUT, WHERE PRACTICABLE, PREFERENCE SHALL BE GIVEN TO A